OLL 84-2502 10 July 1984

MEMORANDUM FOR:	Chief, EPS		STAT	
ATTENTION:			STAT	
VIA:	Chief, OLL/Liaison Division			
FROM:	OLL/Liaison Division/Senate I	Liaison	STAT	
SUBJECT:	21 June 1984 The New York Time	mes Article		
Mr. Tom Connolly, Senator Biden's designee on the Senate Select Committee on Intelligence, is interested in the validity of the 21 June 1984 The New York Times article entitled "Nicaragua Says It Has Broken Up Rebel Ring." If the article is true, Connolly is interested in a damage assessment. A reply would be appreciated by 17 July 1984.				
			STAT	
Attachment:				

ADMINISTRATIVE - INTERNAL USE ONLY

21 June 84 New York Times article

OLL/LD/ aw	STAT
Distribution: Original - Addressee	
1 - OLL Record	
1 - OLL Chrono 1 - Chrono	STAT

Approved For Release 2009/02/02 : CIA-RDP90B01370R001301770019-3

NEW YORK TIMES 21 June 1984

## Nicaragua Says It Has Broken Up Rebel Ring

## By STEPHEN KINZER

Special to The New York Times

MANAGUA, Nicaragua, June 20 The Nicaraguan Government said today that it had broken up a subversive network that was planning to carry out acts of sabotage and "create anxiety and fear among our people."

According to the Sandinista security chief, Lenin Cerna, the network was in contact with opposition political leaders, anti-Sandinista trade unions and at least one Roman Catholic priest. Leaders of the groups implicated denied the

charges.
Mr. Cerna said the priest, the Rev. Luis Amando Peña, had been turned over to the custody of the Papal Nuncio in Managua. Mr. Cerna showed correspondents a videotape in which Father Pena appeared to be viewing explosive devices at the home of a person said to be a subversive organizer

At a news conference, Mr. Cerna introduced the organizer, a Nicaraguan whom he identified as "chief of the general staff of the internal front" of the anti-Sandinista guerrilla group known as the Nicaraguan Democratic Force. The prisoner, who identified himself as Pedro Hernán Espinoza Sánchez, implicated Father Peña, leaders of the Democratic Conservative Party and members of two independent labor conwith rebels.

Leaders of each organization denied the charges. A spokesman for the Nicaraguan Democratic Force, Frank Arana, said in a telephone interview from Honduras that "we have an internal front, but none of these people are involved." He said he had never heard Mr. Espinoza's name before today.

In recent weeks, Sandinista officials have placed increasing emphasis on what they have portrayed as steppedup efforts by rebels to build a "social base" of clandestine rebel support in Nicaraguan towns and cities. Rebels were apparently aided by local residents in attacks in the last few months.

Mr. Cerna said the job of Mr. Espinoza's network was to sow panic, lead Nicaraguans to blame the Sandinista Government for shortages of basic goods "and create the climate for an intervention by the United States." He charged that Mr. Espinoza was following "plans formulated by the C.I.A."

Mr. Espinoza, who appeared to be about 30 years old, said he was recruited to join anti-Sandinista rebels in 1981. He said he had been in touch with Miriam Argüello and Mario Rappaccioli, two leaders of the Democratic Conservative Party. Mrs. Argüelio was not available for comment, but Mr. Rappaccioli said in a telephone interfederations as having collaborated view that the charge was unfounded.

Mr. Espinoza did not give details of his meeting with Father Peña, nor did., Sandinista officials say when or where o the videotape purporting to implicate him was made.

In an interview after the news conference, the Nicaraguan Archbishop Miguel Obando y Bravo, said Father Peña "works in a poor slum and is devoted to spreading the Gospel." He said Father Pena and other Roman Catholic priests maintained contact "with any." one who seeks pastoral help" but not with armed rebels.

In his hourlong statement, Mr. Esta pinoza said one of his principal goals c was to sabotage Government installations. He did not mention any successful sabotage operations.

Mr. Cerna declined to give details of the fate of other members of the purported subversive ring, saying only that "some have been detained for months, others have left the country

Mr. Espinoza concentrated his allegations against the Confederation of Nicaraguan Workers, a non-Sandinistă labor organization that says it has 19,000 members. A leader of the confederation, José Altimirano, said he con-sidered the allegations "part of an effort the Sandinistas have been pushing for some time to discredit opposition groups by linking them with armed, rebels."